

THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND PROJECT PERFORMANCE

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This study is about the role organizational culture in project performance in construction industry, Pahang. It comes out based on the problem statement which project management sector is much rely on technological software instead of practicing organizational culture. The aim for this study is to identify the relationship between organizational culture and project performance and to determine the best practice of organizational culture dimension in a construction company in Pahang. The scope of this study is among employees and human resource manager at construction industry in Pahang especially in Kuantan. The total sample was 58 respondents from construction companies. The quantitative method was used. For the result of this study has been identified that there is significant relationship between organizational culture and project performance. The best practice of organizational culture is market culture and clan culture.

1.0 Introduction

Organizational culture is a specific collection of values and typical that are shared by everyone in an organization. Besides, it is the way they communicate and interact with the members in the organization and also with the stakeholders outside the organization, Black (2003). The values are ideas and beliefs of the type of objectives do people in organization must continue and thoughts in order to provide a proper type or common behaviour to be adapted by organizational members to achieve these goals. Organizational culture is about each employee's experience that being brought to company. The director, executives and managerial staff in the company play important roles in the creation of culture due to their roles in doing the decision of company. Donovan (2006), organizational culture is represented in a group such as symbols, language, decision making, stories, and usual work activities. The notice board in the company content the interaction of employees in meetings, the company's newsletter, and the method people cooperate show the volumes of the culture in organization. Schein (2005), stated that the culture is the hardest thing to be changed, long lasting product, founders and leadership, services, and all other physical elements of the company.

According to Schein (1992), the understanding about culture is essential to know what goes on, how to run them and improve them in the organization. The academics and spectators believe that the culture has a dominant effect and plays an important role in the the success of organization in the future. The things that differentiate one company with another company is their organizational culture (Cameron and Quinn, 1999). Malaysia is a developing country which generates income from industrial sectors instead of agricultural sectors. Previously, our country generated income from agriculture sector, which hasn't contributed much to the national income. While our fourth Prime Minister, Tun Dr. Mahathir Mohamad governs our country, he had executed Proton Saga production project, which is the country's first national car in 1985 that had moved the economy from an agricultural to an industrial basis. The industrial sector consists of construction, production, manufacturing, packaging, and others.

Mohd Rosli (2005) in Malaysia, the construction industry is still at low level if want to be compared to developed nations such as Unites States, Britain and Japan. Construction

Works in Malaysia still goes on to traditional way, namely using labor force. The construction industry in developed countries is carried out by using high-tech machinery and robot in ensuring the productivity and quality of the construction elements are achievable (Mohd Rosli, 2005). According to Mohd Rosli 2005, as the country that still using traditional approaches in the construction industry, Malaysia should ensure their construction's employee do the work that has quality and productive so that can rank with the work which is done by modern machines and robot. Hence, good organizational culture is important in an organization.

1.1 Problem Statement

The culture is very important in ensuring the performance level of the organization stand at excellent level. Then, good performance in construction organization will lead to good improvement in the construction industry. As what we are supposed to know, the project management sector has emerged towards the proceeding of time and the uses of technological software and their advancement. Thus, despite depending on the modern facilities and technology, which are considered as the main factor of the project success, we are currently trying to highlight the side factor which is organizational culture in order to make the project

successful rate become higher than increases the name of project management and at once can promote the area of business towards the world. We are as human being, sometimes we only see the things or machines that are used to complete the project without seeing the other reasons that make that project succeed.

As the number of projects are rising in the market, hence the project are proven to be the most efficient way in boosting the innovation process. A significant number of projects were analyzed from completing projects showed the time and costs planned were exceeded and hence decreasing the benefits. Studies show that there are many factors of project failure such as a poor definition of the project objectives, changes that uncontrolled, insufficient project timetable, insufficient resources, uncontrolled project, and miscommunication, the role of workers that are not clear and insufficient support from top management. Besides that, there are too much people focusing on technical resolutions and ignoring the customers in their project (Young, 2000 & Andersen, 2004).

Furthermore, the number of contacts and different relationships increase because the number of employees needed increase due to the rapid rising of project in the industry. The disruption to regular work are basically cause from the collaboration of the stakeholders and then lead to other problems such as dislike and short temper from the line manager. If the roles, competencies, responsibilities and relationships between the stakeholders are not defined properly, more conflicts could arise and therefore causing inefficient project execution. Some of project work nowadays are hindered by the weaknesses and less-organized work. Firstly, there is no good risk management in making the project plans because they are lack of time. They think the results from the improvement process is a quite usual method of project execution. The usual project organization is a matrix but 85% of project managers entitled project leader are not professional managers. However, they are expert in performing multi-tasks and also co-ordinate the project. Many stakeholders do not consider the official internal rules, even it governs how projects should be implemented. The impacts are the low support of line managers, the low level of authority enjoyed by project leaders, and unfitting project teams. These factors are part of the corporate culture and could be rated within project organizational culture.

Brown, 2008 & Andersen, 2009 said that it is well recognized that the culture in the company has an impact on the performance of project. Besides that, several dimensions

of organizational culture have been investigated through various researches that have been carried out. The example companies' strategy, culture, behavioral patterns, systems, and processes of a firm hence ascertain the condition or environment that needed in order to have a successful project management. There are three types of culture impacts identified by the study that are:

1. Indirect influence corporate culture. According to Kuo & Kuo (2010), the examples are the involvement of workers, steadiness, adaptability to the environment and lastly mission and long-term directions.
2. Project organizational culture. According to Kerzner (2009), it is the direct influence to the organizational culture, for example top and line management subsidiary/attitude, company policies, rules, and procedures.
3. Besides that, Kerzner, (2001) stated that the culture of the project team is also a direct impact. For example, trust and teamwork, effective communications and also willingness to share the ideas and problems among team members and social activities among the members in the team..

In addition, Doppler and Lauterburg (2005), the information that are distributed orally or informal communication has much influence to the workers because there are direct communication between employer and employee. So, the communication between members and managers to the organization must be in two-way communication and not necessarily be in formal condition. Managers and employees must be open-minded and share their opinions without barriers.

1.2 Research Objectives

This study consists of two objectives that were examined. The objectives are:

- i. To identify the relationship between organizational culture and project performance
- ii. To determine the best practice of organizational culture dimension in a construction company in Pahang

2.0 DEFINITION OF ORGANIZATIONAL CULTURE

According to Lundy & Cowling (1996), there are various definition of the oraginznational culture which is defined in many different literatures and possibly the meaning of the way people do things around them is the most commonly definition of the culture. Andrew Brown (1998) said that the culture in organization is the type of belief, good values and what they have learned from the past experiences in order to improve themselves. According to Schein (1985), it is a type of shared basic assumptions among the members in the company and their ways of thinking about the adaptation of new things in order to overcome the problems faced in the organization and hence to be delivered to the new members that comes into the organization.

According to Robbins and Sanghi, (2007), the system of a shared meaning and the way of thinking in an organization distinguishes from another companies is called organizational culture. This system of shared meaning is actually a set of key characteristics that the organization values. The culture in organization is concerned on how the employee notice the attitude of an organization's and it is not about agree or disagree with the culture. So, it is descriptive. The characteristics of the organizational culture becomes a composite picture that also becomes the fundamental shared understnanding among the team members in the organization. This include on how they think the works are done and what the attitude that the company wants from them (Robbins and Sanghi, 2007). He also stated that when the organizational culture is defined as shared idea and understanding, hence the different background of workers tend to have the same idea about the organization culture.

Concept of culture in company is very wide and sometimes it is ambiguous and abstract, thus making it difficult to be characterized and perceived. According to Goffee (1996), culture is the glue that make the members in organization stick together to achieve the specific goals. Chatman and Jehn (1994) said that the culture can enhance the relationship between organizational culture and performance of the company. Besides that, Javidan (2001) stated that culture plays an iumportant role in determining the success or failure of a collaboration or merging of the companies. In a later development Schmidt (2002), identified a number of cultural attributes including management skills, the degree of customer commitment, process of making decision, value of teamwork and collaboration, creativity, and power relationships. In addition, it is confirmed that culture is more strongly diverted by

organizations work practices and very important in determining the fitness of employee in the company with their work (Hofstede, 2001).

Schein (1985), stated that the culture in a company is a set of assumptions, beliefs and values that are shared together among the members in the organization. The study that done by Parapone (2003), and Ezirim (2010), confirmed that the culture have the effect towards the level of performance in a company. According to Catana (2010), the culture in the company has been described as the variable of the effectiveness of the organization. Besides that, he also concluded that the culture in a company is essential and as a central concept that strongly give effect towards company's effectiveness. It is hard to determine positive dependencies of project performance on the organizational culture because some of the company have defect in their culture and it will give bad effect to the performance itself (Kotter and Heskett, 1992). Because the hardness and complexity in measuring the culture in the company, most studies did not provide their promised solutions.

According to Schein (2010), a design of assumptions that are shared together within the firm in order to overcome the problems faced and adaptation of internal and external integration is defined as organizational culture. In addition, that shared assumptions must be valid and then be taught to the new members who enters the firm. O'Reilly & Chatman (1996) define the culture in organization as vital and influence on how workers feel and act. According to Jennings and Haist (2004), the organization's culture will affect the performance information on organizational performance.

Hence, there are some aspects that contained in the organizational culture that are relative more visible just same like conscious awareness. For this study, definition by Schein (2010) is adopted. There are three interrelated levels in organizational culture.

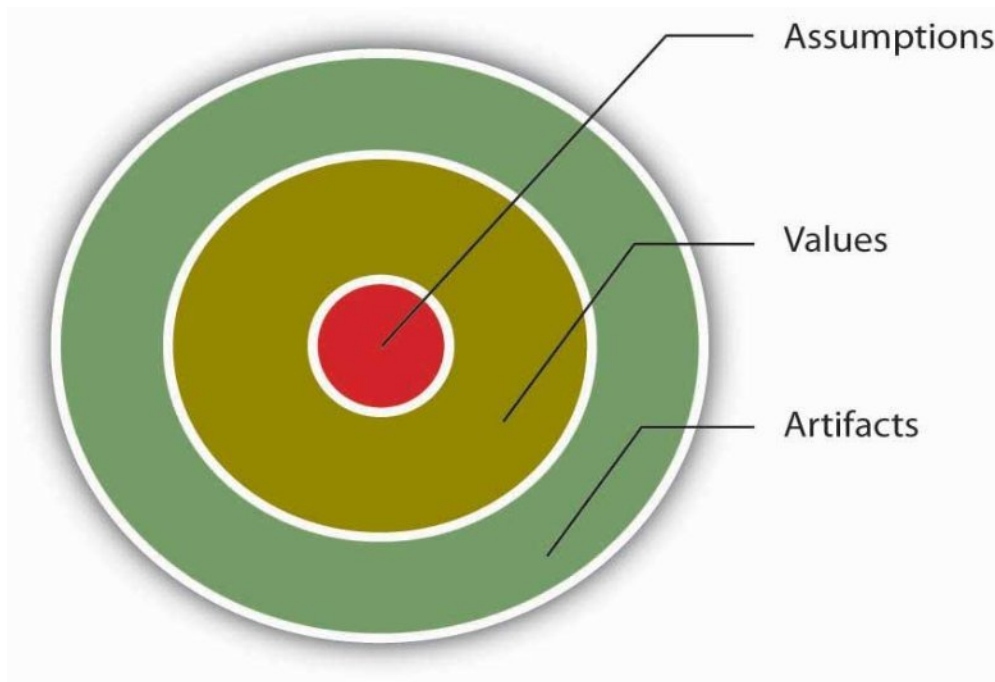


Figure 2.1: Organizational Culture Levels (Adapted from Schein, E. H. 1992).

There are three levels of organizational culture. Firstly, the deepest level in organizational culture is assumptions. It is the basic assumptions. These assumptions are decided and replicate the beliefs about reality and human nature. Hence, the second level of organizational culture is the values exist and the values are defined as the shared principles, goals and standards. The last one is artifacts and it is at the surface level of the organizational culture. It is also called visible aspects of the culture in organization. The example of an organization is the sharing of assumptions among managers and workers that might make the workers happy and give benefit to the company. So, these can thought as high-quality relationships, equality and having fun together.

Besides that, the understanding of culture in a company can start from observing its artifacts such as company policies, environment, reward systems and employee interactions. This is because you will see and observe the posture, how they behave and how they talk while in interview session. Thus, you will see that the person has definitely defined the culture of the organization when he followed all the requirements that are needed for the position. However, full picture of an organization cannot be seen only by observing these tangible aspects because the important things in shaping a good culture still under the awareness.

According to the PMBOK fourth edition, the culture in an organization may have a strong relationship with success of a project and it is known as cultural norms. In this book, it also stated that the “norms” included a common knowledge regarding to what acceptable means for getting the work done, how the work can be done and who are responsible to ensure the work finish.

2.1 DIMENSIONS OF ORGANIZATIONAL CULTURE

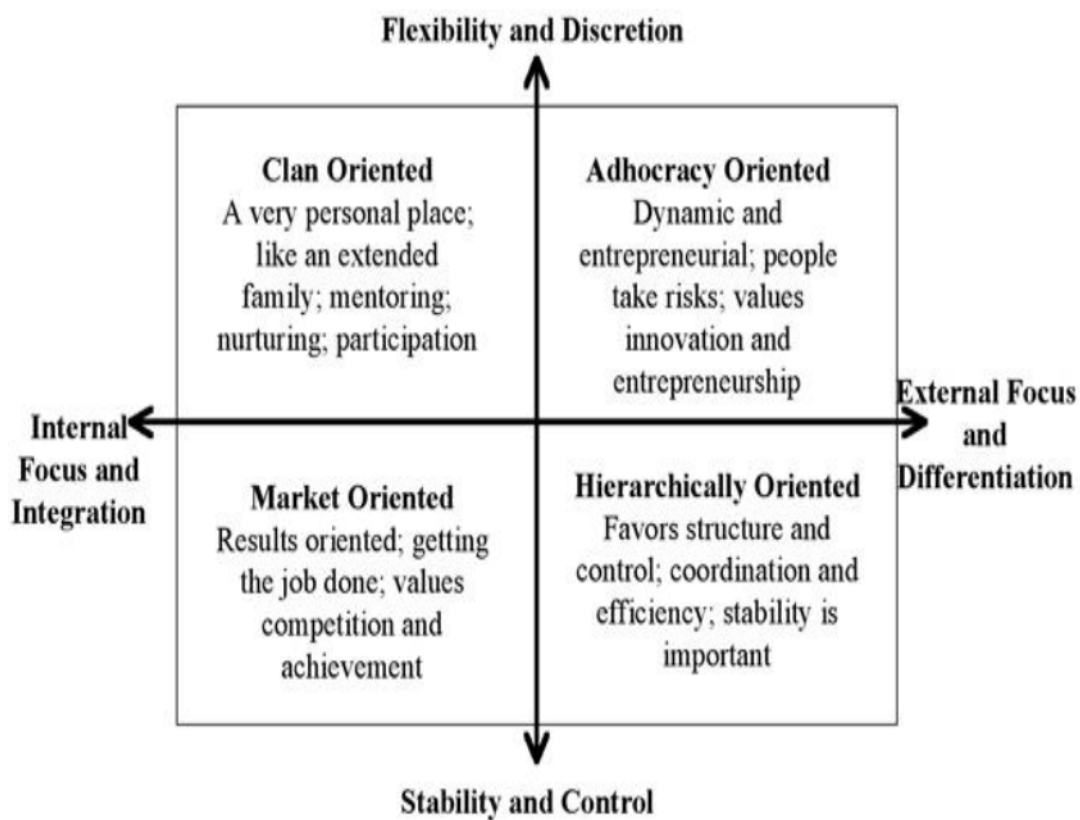


Figure 2.2: Competing Values Framework. (Adapted from Diagnosing and Changing Organizational Culture: Based on the, by K. S. Cameron & R. E. Quinn, 1999)

2.1.1 Hierarchy Culture

Hierarchy culture is a traditional method to construct and manage the organizational structure as in Max Weber's original view of bureaucracy. Over the years, it was considered to be the most effective method in structuring and managing the organization and the person

on the positions have respect for the position and rule. Hierarchical leaders are typically a coordinator or organizer who always observing on what is happening. Besides that, hierarchy culture often has a well-defined process and procedures.

2.1.2 Market Culture

The market culture is a culture in a company that focuses on the needs and requirements of the customers and focuses on the competing with the other competitors in getting the project and fulfill the customer's needs. Besides that, market organization is not only focuses on the marketing but also focuses on external and internal strength in the market and organization in order to enhance their productivity and quality. Leaders in market cultures are often hard-driving competitors who seek always to deliver the goods and in other word, the market cultures are very competitive and outward looking. This is because the market cultures are particularly driven by results.

2.1.3 Clan Culture

The organization who practices the clan culture has do not has much focus on the structure of the organization but it much concerned to the flexibillty of the team members and workers. The members in the company are driven by shared goals, vision and outputs of the project rather than strict rules and procedures. It is different with hierarchy where hierarchy tends to have up to bottom structure but clan tends to have a flat organizational structure which means one worker can do various types of work due to his flexibility while the hierarchy culture focuses on the work breakdown structure which mean the each worker has their own task to be done. The clan culture leaders act in a facilitative and supportive way in order to enhance the performance of project and the rules still exists even it is not necessarily documented.

2.1.4 Adhocracy Culture

The adhocracy culture organization is more flexible and independent compared to clan culture organization and it is most necessary in the rapid increase of the number of project nowadays. The members in adhocracy organization can form their teams quickly according to the needs of the project. This means, they are very flexible whether in time, task and coworkers. There are visionary and innovative leaders in an adhocracy organization who concerned about the risks that will be faced in order to gain the significant benefit of the project.

2.2 THE IMPORTANCE OF STUDYING ORGANIZATIONAL CULTURE

As a human being, we are tied with the culture in the place where we live. Likewise, a worker who are working for a well established company will be taught about the attitude, values, policy and manner of the company. Besides that, there should be some evident that confirmed the culture has an effect on the employee turnover and also on the performance of workers. According to Luthans (1998), the study of each member in the firm must understand and practice the norms that have been agreed together. That is why the research on organizational culture is very important. According to Lewis, P. James (2008), the understanding of culture is important because in most cases they are neglecting the culture. Thus, they cannot improve themselves as long as the organizational cultures are neglected.

The company that has a unique and difficult to replicate culture has been agreed will tend to have high competitive advantages because it is one of the strongest resources in the company. Bain & Company have conducted a survey in 2007 and stated that the project leaders in the world identified that the corporate culture in the company is very important same like the corporate strategy in ensuring the success of the project. Besides that, the relation between company's culture and project performance have been found by observing at some indicators such as volume of sales, benefit, market share, and stock prices. Simultaneously, it is very important to have a good organizational culture that fit with the needs of the company's environment as it can enhance the benefit and performance of the projects. The example is a company that have high technology machines and also supported by excellent cultures tend to have an excellent performance of project. However, the firm that has the right culture may give strength to the company and company that has the wrong

culture may lead to difficulties in their performance and also be as the barrier for the organization to improve themselves.

According to Schein (1992), organizational culture is more important nowadays compared to it was in the past. In addition, the culture is an effective control mechanism to manage the behavior and attitude of the workers. This is because, the cultures that have been agreed and practiced together have more powerful influence to the employees compared to the rules and regulations in the company. For example, the rules may not be helpful when a firm wants to increase the quality of its customer services. This is because sometimes the problems faced by the customer is unique and complex. Furthermore, encouraging workers to think like customers are very important because they can know what the specifications needed from customer is and they also can easily understand customer's behavior in order to overcome it thus boost the performance of project deliverables. Other than that, it is also important to make customer feels happy because the customer is always right no matter what situation happen. Therefore, it is very important for a leader to understand and influence the culture in the company in order to help him managing the projects efficiently.

2.3 ORGANIZATIONAL CULTURE AND PROJECT PERFORMANCE

Fauziah (2011) stated that the correlation among organizational culture and company performance has a comparatively extensive practice in association readings. The performance of the company can be described by imperceptible organizational basics (Detert, 2000). Wilderom and Van den Berg (2000), stated that there are five elements in describing the intangible basics of organizational cultures which are empowerment, internal and external orientations, improvement orientation, and human resource orientation that support the dependencies of company performance on the culture of organization. At the same time, the practices in the company that raise a proactive market orientation, strong challenger orientation and expert information management have been argued by Glunk and Wilderom (1999), hence the workers who achieving the competitive advantage will be given a reward. According to Fey and Denison (2010), the measurements of finance will help the investigators to build threshold and benchmarking analyses.

The dependencies of Nigerian companies performance on the culture of organization has been examined by Ezirim (2010) and the results showed a significant positive correlation between them. According to Sadri and Lees (2001), the bad culture in the organization will give the bad performance as it can stop the company from adopting needed tactical or strategies changes. Besides that, Shore (2008) stated that the culture develops within the context of executive leadership and national cultures. Belassi (2007) said that the organizational culture represents the method of how the members think and act in order to establish the competence of the firm. Therefore, it can be summarized that the organizational culture has more effect to the project performance compared to the national culture. In addition, Belassi (2007) also support the theory by doing several studies about the culture in organization the results shows that a proper organizational culture create good organizational performance

Besides that, the argument about the relationship between the culture of organization and IT project performance also occurred. Akgun (2011) stated that a positive condition of work plays important role in ensuring the success of IT project. Comparative studies between US IT hires and Chinese that institutional socialism had a substantial impact on the IT hires insight and their ultimate performance when working on IT projects (King and Bu, 2005). Furthermore, it is claimed that great performance of IT project comes from good leadership team (Thamhain, 2004). Therefore, there is a direct impact of organizational culture towards IT project performance.

Belassi (2007) developed a set of questionnaire based on the various definition of the culture in order to measure organizational culture. Cultural dimensions that Belassi, (2007) used in their research include management, positive work environment, leadership, and the orientation of results. The positive work atmospheres and leadership management are strongly related with each other (Belassi, 2007). Besides that, the results also propose that companies which have good environmental condition will help to boost the performance of the project rather than less comfortable condition of workplace.

2.4 THEORETICAL FRAMEWORK

The usual practice in management research is to develop the backup models when the simpler models are considered inadequate to expect or explain the topic of interest. According to Cao and Hoffman (2011), For many years, many research on management found that there is a link between culture and performance. According to Al-Ahmad and Yazici (2009), commonly the study on project performance has focused on the leadership of project managers or on investigating organizational factors. Shore and Yazici (2009) stated that one of the organizational factor that has been linked to project performance is culture. Besides that, Schmidt (2001) stated that research has also recommended that the environment may also give effect in project performance. In the paragraphs below, it shows the literature that relate to the environmental pressures, organizational culture and the alignment between the two is reviewed.



Figure 2.3: Theoretical Framework

2.5 SECTION B: PROJECT PERFORMANCE

2.5.1 DEFINITION OF PROJECT PERFORMANCE

Project performance is the situation or environment on the current activities in projects that being measured whether good or bad. It also can be defined as the achievement of the project, whether meet their goal or not. Project performance is to be assessed by each Regional Director (RD) on six month intervals to coincide with Bi-annual Program performance Reviews. United States African Development Foundation (USADF) management will conduct a biannual program performance review to ensure RDs are giving sufficient prior to program performance and are providing support and oversight for active grants.

2.5.2 PERFORMANCE CATEGORIES

Three standard performance categories will be used to consistently assess the performance of a grant throughout its life cycle. The actual measures within a given performance category will be adjusted depending on the age of the grant and type of grant. Each category represents a critical predictor of long term project success. The three performance categories follow:

2.5.2.1 Project Achievements

The first measurement of a successful project is its capability to effectively apply obtainable resources in ways that achieve results. The purpose of a grant is to provide inputs that can be transformed through activities into perceptible outputs and the progress in order to achieve the goals can be accessed by doing a comparison between the actual achievements against planned goals. Successfully meeting project activities and objectives are a mandatory aspect of determining whether or not a project grant is “performing”. During the early term of the grant the “project achievement” assessment will focus on progress being made against planned activities. Achievement during this stage of implementation means that 50-80% of the planned activities are on track and are being completed as planned and during the mid-phase of the grant the performance assessment will shift its focus to the achievement of project outputs. Thus, a performing project is achieving 50-80% of its output targets at this point.

2.5.2.2 Project Resources

The project cannot be successful if it does not have the resources needed. The primary input that USADF provides is the capital and will monitor the expenditure of grant funds as an indicator of project success. This category will look at both the timing and amount of the payment to grantees and if a project is well designed with no conditions precedent, was

provided with good start-up support, and is in general, in compliance with ADF policy, then payment should move forward without delays. However, when a project is having problems, payments are delayed and it is true that delays in payments might be due to factors outside the grantee's control, such as lack partner support, but these should be reported as exceptions. Evaluating payments performance is quantitative in nature and could become a database report, with little to no management or reporting costs.

2.5.2.3 Project Management

The successful missions appropriately manage and uses the resources that allocated to them effectively. Good project management is a meter of the capacity needed in a company to use the resources efficiently in order to achieve grant goals. Besides that, another measurement of successful project management is providing a timely quarterly and good quality reports. Typically, late and inaccurate reporting is an early indicator of a problem project. Assessing on time Quarterly Report performance might be a database report, but however the database would also need to capture a quality rating to be entered by the PA after each reporting cycle.

3.0 RESEARCH METHODOLOGY

A set of constructed questionnaire was used as a model for the data collection technique. Quantitative method is chosen because it is easier for the researcher to get feedbacks from the respondents. The purpose of this questionnaire method is to collect the primary source of data from the sample population. Besides, the questionnaire survey was based on both contractors and their employees which to determine the relationship between project performance and organizational culture.

The questionnaire method was designed by referring to the theoretical framework. The theoretical framework is divided into two categories which are independent and dependent variable. The independent variable is represented by the organizational culture and the dependent variable is represented by the project performance. The questionnaire survey is basically consists of three sections in order to get the appropriate information and questionnaire sample was adapted from journals, articles, subject matter experts and other

related research. Moreover, the usage of the questionnaire is believed to help the data collection process becomes more significant and analyze them in a right way. This is because the questionnaire usage is believed to get more accurate information and data.

3.1 POPULATION

. The population of this study is G7 contractors, which focusing on construction industries in Pahang especially in Kuantan. This is because Kuantan is the central state of Pahang and Kuantan is the representative for Pahang. Besides, the development processes for sure will involve the construction processes. According to CIDB directory, there are 86 companies with G7 contractor in Kuantan.

3.2 SAMPLING

In this research, sampling is a group of people, objects or items that are taken from the research population for measurement of the research respectively. The number of samples in this research is taken according to Krejcie & Morgan table. The number of population is 86. Thus, the number of samples of this research was 71. So, there were 71 respondents in this research. The sampling method used in this study is simple random sampling.

Besides that, one of the advantages of using simple random sampling is easy in collecting the sample. Since everyone in the group has equal chances of being selected, it is considered as a fair method of choosing a sample from a given population. Besides that, the other advantage of simple random sampling is its representativeness of the population.

4.0 DATA ANALYSIS

A total of 58 respondents participated in this survey and all of them are come from the total of 86 populations of G7 contractors in Kuantan. There are five demographic characteristics discussed which included gender, age, experience as contractor, race, education level. The reliability value is 0.8 and 0.7 for culture and project performance.

Table 4.1: Reliability for Independent and Dependent Variables

Variables	No. of Item	Item Deleted	Cronbach's Alpha
1. Organizational culture	12	–	0.806
2. Project performance	6	–	0.701

4.1 PEARSON'S CORRELATION ANALYSIS

Pearson's Correlation analysis was carried out to determine the significant relationship between the organizational cultures that consists four variables which are hierarchy culture, market culture, clan culture and adhocracy culture with the project performance.

Table 4.14: Correlation Analysis

Dimension		Project Performance
Hierarchy Culture	Pearson Correlation	.488**
	Sig. (2-tailed)	.000
	N	58
Market Culture	Pearson Correlation	.513**
	Sig. (2-tailed)	.001
	N	58
Clan Culture	Pearson Correlation	.430**
	Sig. (2-tailed)	.001
	N	58
Adhocracy Culture	Pearson Correlation	.449**
	Sig. (2-tailed)	.000
	N	58

**. Correlation is significant at the 0.01 level (2-tailed)

As to answer the second objective of the study mean score value is used and the market and clan culture are the best practices to enhance project performance.

Table 4.2: Mean Score on the Total Mean of Each Variable

	N	Mean	Rank
Total Mean of Market Culture	58	4.0633	1
Total Mean of Clan Culture	58	4.0633	1
Total Mean of Hierarchy Culture	58	3.9633	2
Total Mean of Adhocracy Culture	58	3.9000	3

Total Mean of Project Performance	58	4.1300	
Valid N (listwise)	58		

5.0 CONCLUSION

In conclusion, the organizational culture can influence the performance of project based on its four types of culture which are hierarchy culture, market culture, clan culture and adhocracy culture. Based on the result of this research, there are positive relationship between organizational culture and project performance in the construction industry in Kuantan. All types of the organizational culture have the moderate positive relationship with the project performance but market culture has the highest value of correlation coefficient among the other types of culture which means the market culture gives large effect to the performance of project compared to the others. Hence, the most practical that used in the construction industry in Kuantan is market culture, followed by the hierarchy culture, adhocracy culture and clan culture.

5.1 DISCUSSION

In the demographic profile, it shows that the percentage of male respondent which is 53.4% is more than the female respondent which is 46.6% from the total respondents. 53.4% represents 31 respondents and 46.6% represents 27 respondents and it shows that there is only a narrow gap between the amounts of respondent in term of gender. This is due to large amount of female employees involved in construction industry nowadays. However, the

female employees usually tend work in administration and human resource department instead of being a general worker.

In the descriptive analysis, there is a ranking between the types of organizational culture. The ranking was aim to review the most practical dimension of organizational culture in construction industry. Hence, the market and clan culture were chosen as the most practical organizational culture in the industry. Kotter and Hasket (1992) early reported that it is difficult to determine a positive correlation between culture and performance because some firms may have non-adaptive or defective cultures that actually harm the performance. By the way, all dimensions of organizational culture in this research have positive correlation with project performance. Thus, it claims that “it is difficult to determine a positive correlation between culture and performance because some firms may have non-adaptive or defective cultures that actually harm the performance is not true.

5.2 IMPLICATIONS OF ORGANIZATIONAL CULTURE

Organizational culture is important to the company including the construction based industry and continuous improvement should be done through time to time in order to make the company stay strong and can compete with other companies to get the project tender. There is a claim that the relationship between organizational culture and performance is not significant. Rousseau (1991) studied to solve some of the restrictions in measuring the culture of the organization. Hence, the result shows that there is no positive correlation between culture and performance. Lim (1995), stated that after the methodologies and findings of recent researches had been reviewed critically, it is assumed that there is a relation between organizational culture and project performance. Thus, this research also proved that there are positive relationship between organizational culture and project performance. Thus, there should be one of the constraints in order to increase the performance of the project.

5.3 RECOMMENDATIONS FOR ORGANIZATION

Based on this study, there are several recommendations in order to improve the performance of the project in construction sector and any other related industry. The first recommendation is the company should practice the organizational culture in their organization especially the market culture. This is because the market culture has the highest impact on the project performance compared to the other cultures according to the highest value of correlation coefficient among them. Market culture means the culture of preferring the needs of customer in order to achieve the goal of project. When the project can be finished by following the needs of customers, for example, meets the customer requirements, within the budget given, give the maximum benefit to the customer and also to the company, then the project is considered as a successful project. In other word, the market culture is a type of corporate culture that focuses on the competitiveness among companies and also among the workers in the organization in order to make a continual improvement in the performance of project. Through this culture, employees are encouraged to be more struggle and strive to achieve the goals that are already set by themselves.

Besides that, the other three types of organizational culture are also important and need to give full attention. This means, the construction company must focus on the culture in the organization itself, before focusing on the dependencies on the machines used in the project. This is because, even we have full equipment to do works but we do not have the inner strength or motivation to do it, we cannot prosecute it. Hence, the goals of the project will not be achieved. Thus, the positive and good attitude among employer and employees in the company by practicing the good corporate organizational culture will ensure the success of the project.

Based on the study, construction companies should focus on the organizational culture especially market culture in order to boost the performance of the project.

5.4 RECOMMENDATIONS FOR FUTURE STUDY

Firstly, the number of the respondents that will be participated in the survey should be more than its expected amount. This is because, the findings and results will be more accurate as there is a large number of respondent.

The second recommendation is the researcher better need to send questionnaire by hand because if the questionnaire sent by hand to the respondent, the answer will quickly respond onward compared the questionnaire sent using email because that it will take time. Besides that, the respondents should read the questionnaire survey carefully and understand it before answering it. That is because some of the respondents just tick the questionnaire survey without read the questions carefully and this will prevent the researcher to get the accurate answer about their understanding of the effect of organizational culture towards project performance. However, based on this research, there is still has a positive correlation between organizational culture and project performance. Thus, the organizational culture should be practiced in the organizations whether construction based company or other types based of company.

As a conclusion, there are several limitations that need to be prevented in the future study in order to get the more accurate results about the research.

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QUESTIONNAIRES

Title: The Relationship between Organizational Culture and Project Performance

INTRODUCTION

This survey questionnaire distributed to determine the relationship between organizational culture and project performance.

SECTION A

Please answer the questions.

1. Gender

☐

Male

☐

Female

2. Age

- ☐ 20 to 25 years old ☐ 26 to 30 years old
☐ 31 to 35 years old ☐ 36 to 40 years old
☐ More than 41 years old

3. Experience as contractors

- ☐ 1 to 5 years ☐ 6 to 10 years
☐ 11 to 15 years ☐ 16 to 20 years
☐ Other: _____ (please specify)

4. Race

- ☐ Malay ☐ Indian
☐ Chinese ☐ Other: _____ (please specify)

5. Education level

- ☐ PHD
☐ Master
☐ Degree
☐ Diploma
☐ Other: _____ (please specify)

SECTION B

To measure the organizational culture, the items were adapted and modified from Ulle Ubius & Ruth Alas (2009). This section consists of independent variables about the type of organizational culture involved in the company such as hierarchy culture, market culture, clan culture and adhocracy culture. The following is the questionnaires for the independent variable:

Please circle/tick for your answer

***Strongly disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5)**

Hierarchy Culture

Items	SD	D	N	A	SA
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1. We have informal norms and rules which are to be followed by everyone

Kami mempunyai kebiasaan formal dan kaedah-kaedah yang perlu diikuti oleh semua orang

2. Instructions and regulations are needed to govern every process of work

Arahan dan peraturan-peraturan diperlukan untuk mentadbir setiap proses kerja

3. An organization must have strict hierarchy

Sesebuah organisasi mesti mempunyai hierarki yang ketat

Market Culture

Items	SD	D	N	A	SA
1. Customers' interests are never ignored in decision making of organization	1	2	3	4	5

Kepentingan pelanggan tidak pernah diabaikan dalam membuat keputusan organisasi

2. It is very important to feel market changes to react contemporarily	1	2	3	4	5
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Ia adalah sangat penting untuk merasa perubahan pasaran untuk bertindak balas secara kontemporari

3. We always refer to the market condition and observe it	1	2	3	4	5
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Kami sentiasa merujuk kepada keadaan pasaran dan memerhatikannya

Clan Culture

Items	SD	D	N	A	SA
1. It is not accepted to talk about people behind their back	1	2	3	4	5

Ia tidak diterima untuk bercakap tentang orang di belakang mereka

2. In a group, everyone must put maximum effort to achieve common goal	1	2	3	4	5
--	---	---	---	---	---

Dalam kumpulan, setiap orang perlu meletakkan usaha

maksimum untuk mencapai matlamat yang sama

3.Reward for success must go to the department, because 1 2 3 4 5
everyone put an effort

*Ganjaran atas kejayaan mesti diberikan kepada jabatan, kerana
semua orang dalam jabatan itu melakukan kerja*

Adhocracy Culture

Items	SD	D	N	A	SA
1.Projects are coordinated easily through all functional units <i>Projek diselaraskan dengan mudah melalui semua fungsi unit</i>	1	2	3	4	5
2.New ideas must be applied immediately, otherwise they become old and obsolete <i>Idea-idea baru perlu dilaksanakan segera, jika tidak, ia menjadi lapuk dan usang</i>	1	2	3	4	5
3.Most competent representative of the group must make decisions even if he is formally not a leader of the group <i>Kebanyakan wakil yang layak bagi kumpulan itu perlu membuat keputusan walaupun dia tidak secara rasmi seorang pemimpin kumpulan</i>	1	2	3	4	5

SECTION C

This section deals with the relationship between organizational culture and project performance. To measure the project performance, the items were adapted and modified from Ulle Ubius & Ruth Alas (2009).

Please circle for your answer.

***Strongly disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5)**

Items	SA	D	N	A	SA
1.The rules that provided that should be followed can enhance the effectiveness of project scope <i>Kaedah-kaedah yang disediakan yang perlu diikuti boleh meningkatkan keberkesanan skop projek</i>	1	2	3	4	5

2.The regulations of the company can help project manager to manage the project on time 1 2 3 4 5

Peraturan-peraturan dalam syarikat boleh membantu pengurus projek untuk menguruskan projek pada masa yang telah ditetapkan

3.The project cost that controlled can help the project towards success 1 2 3 4 5

Kos projek yang terkawal boleh membantu projek ke arah kejayaan

4.The improvement in methods of work can help project managers in achieving the project specification 1 2 3 4 5

Peningkatan dalam kaedah kerja boleh membantu pengurus projek mencapai spesifikasi projek

5.The quick solution towards conflict can shorten the time taken to finish the project 1 2 3 4 5

Penyelesaian cepat terhadap konflik boleh memendekkan masa yang diambil untuk menyelesaikan projek

6.The observation of market condition can help project managers to be more efficient in cost estimation 1 2 3 4 5

Pemerhatian keadaan pasaran boleh membantu pengurus projek untuk membuat anggaran kos yang lebih cekap